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INFO RUEHRSK/AMEMBASSY MINSK PRIORITY 0507
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RUEHTL/AMEMBASSY TALLINN PRIORITY 4041
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TAGS: [PGOV](#) [KCRM](#) [KJUS](#) [ECON](#) [PREL](#) [LG](#)
SUBJECT: LEMBERGS ARRESTED FOR BRIBERY AND MONEY LAUNDERING

REF: A. 07 RIGA00192

[1](#)B. 06 RIGA00611

Classified By: Charge Phil Antweiler for reasons 1.4 b. and d.

[1](#)1. (C) Summary: Aivars Lembergs, mayor of Ventspils, was arrested Wednesday morning by the Corruption Prevention Bureau (KNAB) and ordered held in custody without bail. The Prosecutor General's Office (PG) has charged Lembergs with bribe taking, blackmail, money laundering, failure to declare ownership, and providing false information on his state officials' income declaration. If convicted, Lembergs could face up to 12 years in prison and confiscation of his assets.

This is the first time since Latvia's independence that such a high level, politically influential public official has been arrested and detained without bail. The Lembergs arrest has roiled the political waters. He is the man behind the curtain in the Greens and Farmers Party (ZZS) component of the four party ruling coalition. It is also widely believed that numerous politicians have benefited from Lembergs' largesse. These latest charges open a second front against Lembergs who is already on trial for abuse of office. Lembergs' arrest occurs at a time when separate investigations threaten to implicate Latvia's other major political oligarchs, and against the backdrop of President Vike-Freiberga's recent suspension of the government's attempt to amend procedures for oversight of the security agencies which also play a role in criminal investigations in Latvia. (reftel A) End Summary.

[1](#)2. (U) On the morning of March 14th, Mayor of Ventspils Aivars Lembergs was stopped on the highway between Kuldiga and Riga and taken into custody by the KNAB. The RCDC ordered Lembergs held in custody without bail. The Riga Court District Prosecutor stated that Lembergs' arrest was necessary to prevent him from interfering with the investigation process. Sources speculate that the PG is concerned that Lembergs would attempt to influence potential witness, move assets, and destroy evidence if not held. The RCDC's arrest decision can be appealed within seven days, which his lawyers will undoubtedly do.

[1](#)3. (U) The court set no deadline for releasing him- and the PG has stated they have no intention of releasing him in the near future. However, the legal maneuvering has begun. Lembergs' lawyers claim he is ill, and because of that illness, should be transferred to a hospital. Prior to his arrest, Lembergs' personal doctor had in fact given him a letter stating he should not work. A doctor from the Interior Ministry clinic concluded his health problems were not serious after examining him.

[1](#)4. (C) Minister of Regional Affairs Stokenburgs has

requested information from the PG and other ministries be delivered to him today so that he can decide whether or not to remove Lembergs from his position as Mayor, a decision within the powers of Stokenburgs' ministry.

15. (C) Lembergs claims the arrest is a political vendetta directly linked to President Vira Vike-Freiberga's (VVF) speech last weekend condemning proposed amendments to the Security Laws. (reftel A) On Saturday, March 10th, VVF condemned the government's move to consolidate and control oversight of the security forces, labeling it the oligarchs of Latvia's attempt to interfere in ongoing investigations. While waiting for arraignment, Lembergs, ever the conspiracy theorist and never one to pass up the chance to comment, accused George Soros and VVF as the key individuals interested in his detention, saying they, along with the KNAB and the PG, are exacting revenge on him, an innocent victim. Interestingly, Lembergs himself hinted that he was not the only target of potential arrest, making veiled references to People's Party kingpin Andres Skele, and First Party head - and Transport Minister - Ainars Slesers. Though neither has been charged at this point, it is widely believed that Slesers was involved in a vote buying scandal during the Mayoral elections in the city of Jurmala; and Skele has been involved with fraud, money laundering and conspiracy to cover up criminal acts related to a digital TV contract.

16. (C) Lembergs' arrest caps a series of recent arrests of high ranking Ventspils city officials. Mamerts Vaivads, the council chairman of Latvia's Ventspils Nafta (VN) multi-business group, and Krists Skuja, the council chairman for Ventamonjaks chemicals and oil products terminal have both been arrested on similar charges. One of Lembergs' lawyers, Gints Laivins-Laivenieks is also suspected in connection with money laundering. At the beginning of the year, the very first arrest in this case was Gita Grasmanne, an employee at the Ventspils port logistics company Ventspils Ekspedicija Logistika KS and rumored to be Lembergs' book keeper. She has been in custody at an undisclosed location since January. It is believed that she may be cooperating with prosecutions.

17. (U) Last year, Lembergs was detained and charged with abuse of office. (reftel B) He was released on bail and ordered not to leave the country. (Note: he repeatedly appealed the bail set until the PG dropped the bail requirement.) This particular case is being heard in the Kuldiga District court (KDC) which has stated that it will continue to review the older criminal case against Lembergs even though new charges have been filed. (Note: Lembergs just recently completed his testimony before this court on the first set of charges)

18. (U) Both VVF and Prime Minister Kalvitis were informed that Lembergs was arrested. VVF told the press this case will demonstrate one law, one justice for all and that in a true democracy, there are consequences when one breaks the law. VVF also stated that Lembergs' arrest will have grave consequences not just for him personally, but politically as well. (Note: the Greens and Farmers Party (ZZS), of which Lembergs is the head, hold 18 seats in the current Parliament and are part of PM Kalvitis' governing coalition) In his statements, Kalvitis attempted to distinguish Lembergs' arrest from ZZS membership within the coalition even though Lembergs sits in the governing coalition meetings. However, there is already talk that ZZS should take political responsibility for nominating Lembergs as their Prime Ministerial candidate last year. (The current Speaker of the Parliament is also a member of Lembergs' ZZS party.)

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